



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
1-800-368-8808 or 304-558-8986

Press Release

FOR IMMEDIATE RELEASE

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Contact: Douglas L. Davis

Phone: (800) 368-8808

Attorney General McGraw Files Objection to General Motors' Proposed Sale of Assets and Termination of Dealers

Attorney General Darrell McGraw filed an objection with the United States Bankruptcy Court in New York on Friday against General Motors' proposed sale of nearly all its assets and termination of GM dealers in West Virginia. General Motors asked the bankruptcy court earlier this month for permission to sell the company to a "New GM" and terminate dealers across the country. If the request to terminate is accepted by the bankruptcy court, affected dealerships in West Virginia will be required to shut down by October 2010 .

The objection filed by Attorney General McGraw asked the bankruptcy court to prevent the sale of GM's assets without going through the Chapter 11 process. The laws governing Chapter 11 reorganization provides substantial rights to creditors, including dealers whose franchises are in jeopardy. West Virginia consumers also will suffer because they will have to drive further to service their vehicles under the manufacturer's warranty. McGraw also objected because the procedures for termination proposed by GM are in violation of West Virginia law that protects new car dealers from being arbitrarily terminated.

"Termination of the GM dealerships in West Virginia will cause untold harm to dealers and consumers alike," said Attorney General McGraw. "Dealers are GM's primary customers. It simply does not make sense to terminate your customers when you are trying to sell more cars," McGraw said.

The bankruptcy court is scheduled to hear GM's request and multiple objections on June 30 in New York. If approved, dealers could be cut off from acquiring new inventory as early as December 2009.

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